

TESTIMONY OF CONGRESSMAN BOB GOODLATTE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OVERSIGHT HEARING ON POFF FEDERAL BUILDING PROJECT

APRIL 14, 2011

Chairman Denham, Ranking Member Holmes Norton and members of the Subcommittee, thank you for holding this important oversight hearing and for inviting me to testify today about the Poff Federal Building renovation in Roanoke, Virginia.

Two years ago, I was alerted that a major federal project was going to take place in Roanoke, the largest city in Virginia's Sixth District. The project is the \$51 million renovation of the Richard H. Poff Federal Building, funded by the American Recovery and Reinvestment Act – the stimulus bill. The Poff Building renovation is the largest stimulus-funded project in the Sixth District of Virginia. The Poff Building houses the U.S. District Court for Western Virginia and the U.S. Marshals Service. The majority of the building is occupied by the U.S. Department of Veterans Affairs Regional Office, which processes claims and applications for a variety of benefits and loans for our veterans.

The Poff Building was built in 1975 at a cost of \$14 million. However, I have never before, since my service in Congress began in 1993, been approached by the landlord – the General Services Administration – about the need to renovate the building in a major fashion. Not until I was alerted two years ago by entities inside and outside the federal government was I even aware that the Poff Building renovations were included in the stimulus legislation. Then my constituents started complaining about the enormous price tag and the inability of local businesses to bid on the initial stages of the project.

The Poff Building project, which will replace the building's roof and glass walls, refurbish the restrooms, install a new heating and cooling system and make other "green" upgrades, has failed in every facet to be the "shovel-ready" project that we heard so much about as a part of the stimulus debate. From the passage of the stimulus bill to the start of construction, slated to begin this summer, will be nearly two and one half years. And that is just the beginning of my concerns, which commenced in April 2009 and continue to this day. My specific concerns include the following:

- The GSA repeatedly failed to fully answer my many questions about the project's bids process and design process, in a pattern defined by a lack of transparency, unresponsiveness, and dismissal of the public's concerns about this project from its inception.
- The GSA's Inspector General audited the project and found that the agency provided the maximum contract amount, in violation of federal procurement laws, giving bidders that information and depriving taxpayers of a fair process to determine the true cost of the

project. It is not known how many millions of dollars the taxpayers would have saved if the GSA had not told the contractors how much to bid in violation of the law.

- Other than a two-page summary prepared after the project was commenced, the agency has never provided a comprehensive cost-benefit analysis showing that the renovations would be more fiscally responsible than constructing a new building.
- Nor have they considered a number of other alternatives that could be less expensive and more effective including not doing major renovations, selling the building, building a new Veterans Affairs building as was suggested by Virginia Senators Warner and Webb, or building a new courthouse
- The GSA bypassed the normal procurement process – similar to what was used to build a new Social Security Administration building in Roanoke – preventing the full disclosure of the supposed benefits and project costs of “green” updates.
- The safety and security of the Poff Building has been given only cursory attention despite the structure being located along a major thoroughfare in Roanoke’s central business district. I attended a meeting in October of 2010 with members of the Poff Building’s Security Committee and GSA officials to discuss the security of the building. To my knowledge, no action regarding the security of the building has been taken since then. In addition, any security upgrades to the building will need to be done with additional funds – the planned \$51 million renovation does not include funding to address the security needs of the building.
- The project’s cost has ballooned by more than \$10 million due to the need to relocate Veterans Affairs offices to four different locations in downtown Roanoke for up to three years, posing logistical concerns and inconveniencing veterans, many of whom are disabled. Many concerns have been raised about the disruption of the processing of claims, inadequate work facilities, problems with employee morale, files being separated in five different locations. Central file storage will remain in the Poff Building while under construction, creating problems with delays, access to files and the security of files as files are shuffled to and from central storage to temporary offices. I have received many complaints from veterans’ organizations and individual veterans as well as from many employees in the building. In fact, one local veterans’ organization filed for an injunction seeking to block the relocation of the Veterans Affairs office while the renovation project proceeds.
- In one example of the waste in this project, \$7,246 was paid to an arts conservation firm in Ohio to determine how an iron sculpture outside the PFB will be affected by the renovations. The consultant came from Ohio, took a look, and said “move the sculpture.”

I have called on the project to be halted because I do not believe it is worthwhile. Failing that, my faith in the GSA will remain deeply shaken. I hope that this public hearing will offer additional opportunities to understand why the Poff Federal Building project has been conducted in such an unconvincing manner to date.